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ABSTRACT

This report to the governor and legislature of Oregon discusses the status of child care in that state. In 1985, the Oregon legislature created the Oregon Commission on Child Care to address the issues, problems, and alternative solutions that were critical to the development of accessible, affordable, and high quality day care services. The commission endorsed the following principles: (1) the quality of child care programs should be strengthened; (2) the supply of quality child care programs should be expanded; (3) child care should be made affordable for low-income families and students; and (4) child care providers deserve a living wage. Findings and recommendations are discussed in terms of: (1) quality in child care programs; (2) establishment of an office of child care; (3) state regulation of child care services; (4) the process of making child care affordable; (5) encouragement of employer and corporate involvement; (6) day care for special needs children; (7) current Oregon appropriations; (8) child care resource and referral services; (9) liability insurance; (10) school-age child care; (11) parental leave; (12) infant and toddler care; and (13) funding issues. The report includes a list of 88 references. (RJC)

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OREGON COMMISSION ON CHILD CARE

REPORT TO THE GOVERNOR

1986

and

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

Oregon Commission on Child Care: Report to the Governor 1986

FINDINGS	RECOMMENDATIONS
Quality Child Care is an Investment In Oregon's Future returning up to $7 for each $1 spent.	1. Educate the public to the cost effectiveness of quality child care. 2. Create a business assistance clearinghouse to help open or renovate day care programs. 3. Support accreditation of programs. 4. Support training in child development. 5. Improve professional image by deleting non-professional language from state documents. 6. Invest in early childhood.
A coordinated state focus on child care must reflect the massive change in the labor force.	1. Establish an Office of Child Care.
Revisions in current regulations must continue.	1. Complete rules revisions in 1987; strengthen enforcement and interagency grievance procedures. 2. Abolish home provider registration and replace with voluntary certification; increase certification staff.
Affordable child care is a key to leaving welfare.	1. Revise methods of assistance; abandon the "disregard". 2. Subsidize child care at market rates. 3. Expand eligibility. 4. Assure payments reach the provider. 5. Provide opportunites for meaningful training and education. 6. Revise definition of mobile migrant.
Employers can be encouraged to get involved.	1. Participate in Bureau of Labor and Governor sponsored benefit consulting. 2. State government should be a Model Employer. 3. Start a child care scholarship assurance plan which matches state tax savings with corporate donations.

EXECUTIVE SUMMARY

Oregon Commission on Child Care Report to the Governor 1986

FINDINGS	RECOMMENDATIONS
More options for special needs children could reduce institutionalization.	1. Recruit and train special needs providers. 2. Endorse Mental Health Division Family Support approach. 3. Expand respite care facilities. 4. Coordinate agency services for mentally retarded/developmentally disabled children.
Information and referral services make the existing system work better.	1. Assist existing child care information and referrals; establish new ones in underserved communities.
Child care is the third hardest hit industry in the liability insurance crisis.	1. Pass legislation to ease the problem. 2. Rules of conduct for insurance industry should be established. 3. Tort reform should demonstrate results. 4. Consider the California Model for Oregon.
More than 100,000 Oregon children need before and after school care.	1. Encourage "Use of Schools" model. 2. Give technical support to cooperative parent and provider programs. 3. Encourage community involvement. 4. Provide affordable alternatives for low income families.
Parental leave is necessary to protect the health and safety of infants.	1. Establish a twelve week parental leave policy statewide. 2. Make policy regarding state employees consistent.
There is a critical need for more and better infant and toddler care.	1. Subsidies must reflect real costs of care. 2. Recruit and train more providers.
Funding commission recommendations is possible.	1. Cap the child care credit for families with AGI over $50,000. 2. Endorse federal legislation that would bring child care dollars to Oregon.

OREGON COMMISSION ON CHILD CARE

REPORT TO THE GOVERNOR

1986

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INTRODUCTION

Oregonians have long taken pride in our quality of life. We have not hesitated to ask state government to provide needed services, to establish standards and to enforce basic safety and health standards in our institutions. However, due to a dramatic shift in the makeup of our workforce, a statewide recession and reduced state and federal funding for social service programs, one of the most vital issues of our time is being neglected. A quiet crisis, it affects the lives and futures of thousands of Oregon families.

The crisis is the care of our children.

Making affordable child care available and ensuring its quality must be the top priority for policymakers concerned about employment, welfare, and the well-being of children -- now and in the decades ahead.

Why has this crisis come about? Some facts and figures begin to tell the story:

- More than half of all Oregon mothers of children under age six are in the labor force. This is the fastest-growing segment of the work force, and the subgroup of mothers with children under age one is expanding fastest of all.
- Sixty-five percent of Oregon mothers with children ages 6 to 17 work outside the home.
- The "typical" family where father goes to work and mother stays home represents fewer than 10 percent of families nationwide. Oregon is no exception.
- Coupled with the dramatic change in family work patterns is a scarcity of child care which is available, affordable, and of acceptable quality to Oregon families.

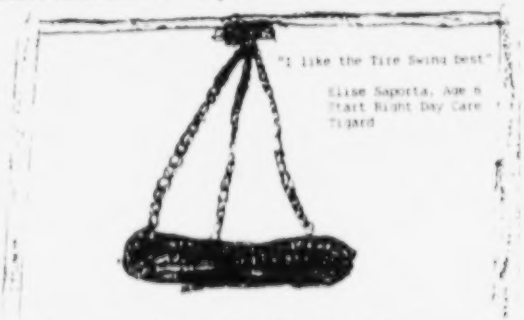
The 1985 Oregon legislature created the Oregon Commission on Child Care to address these conditions. Made up of 21 child care providers, educators, state and local officials, legislators, tax and legal experts, business, labor, and consumers of day care (parents), the commission was charged to:

> "Address the issues, problems and alternative solutions that are critical to the development of accessible, affordable and quality day care services."

A thank you is extended to all those who helped with testimony, data and advocacy.

We particularly wish to acknowledge the children who assisted us. When asked, "What do you like most, or what do you like least about day care?" they responded with the drawings you see throughout this document.

In this very scientific way the commission learned the best thing about day care is the "Tire Swing" -- easily the most drawn subject in our survey. We have further learned that whether at home or in a day care setting, the thing youngsters like least is "naps!".



We have sought to identify those issues which should be of highest priority to the Governor and Legislature in the upcoming session.

We have heard from many in the course of deliberations over a period of some eight months. We held public hearings and solicited written testimony and responses to preliminary drafts of our report.

This report is based on the information we have received coupled with our own careful consideration of the needs of the public and the resources of the state. The priorities and recommendations are those we believe to be minimally acceptable. Long-term commitment by the State of Oregon is critical to the preservation of our families, the employment of our citizens and the welfare and future of our children.

We endorse the following principles:

- The quality of child care programs should be strengthened
- The supply of quality child care programs should be expanded
- Child care should be made affordable for low income families and students.
- Child care providers deserve a living wage.

Based on testimony and research, a number of issues emerged for consideration. Commissioners worked in sub-committees to examine each area of concern. Accordingly, we offer the following findings and recommendations to the Governor and Legislature.

QUALITY IN CHILD CARE PROGRAMS

".. the word is out that there is hope for change in child care .."

Janet Cassady,
Family Daycare Provider

What is Quality Child Care and Why Are All These People Talking About It?

Quality child care programs provide a safe and caring environment for children. They include learning opportunities planned by caregivers who understand how children develop. The ratio of adults to children allows for individual attention, and parent involvement is encouraged.

Children in quality care tend to be more successful in later schooling, less likely to need juvenile court services, and are more employable as adults. They show higher self-esteem, get along better with others and receive better health and nutrition than do children without these opportunities.

In addition, their parents' earning power is increased and communities spend less on these children for special or remedial education and corrections services.

Research studies on the cost-effectiveness of quality child care repeatedly show a return of two to seven dollars to society for every dollar invested.

Caregiver Competence and Quality of Child Care

The quality of interactions between caregiver and child is the major determinant of quality in child care programs, according to every research study on program effectiveness. Positive results are related to the presence of caregivers who have had preparation in child development.

People who are paid to care for and educate children should have the attitudes, skills and knowledge that ensure safe, healthful care that also helps children reach their fullest potential. Training incentives, status and salary must be adequate to attract capable caregivers who will stay in the field. But currently:

> Child caregivers have the lowest pay, highest turnover rate and third from lowest occupational respect in the country.

In Oregon, 66 percent of child care providers earn wages below the poverty level, and turnover rate is 57 percent a year. Although two-thirds of home care providers have at least a high school education and caregivers in out-of-home programs average 14.5 years of education, the minimal relationship of experience and credentials to wages is a disincentive to improving skills or staying in the field.

Although licensing regulations are bottom line essentials for health and safety in any program, they do not alone ensure high quality.

Program Costs and Quality of Child Care

Child care is inadequately funded. The industry is supported almost solely by young parents at the beginning of their earning lives. In Oregon, one family in four with a child under age 6 lives below the poverty level. Child care for one pre-schooler averages $2,400 per year -- about 40% of the gross annual income of a full time minimum wage worker. Staffing costs are 2.5 times as high for a child under 2 1/2 year of age.

Child care providers receive an average of $1.00 per hour per child. In day care centers, state regulations require one staff person for each four infants or toddlers, or each ten pre-schoolers. This income must cover wages, benefits and social security, all operating expenses and losses, and provide a living for the caregiver.

Attitudes and the Quality of Child Care

Outmoded values and attitudes compound the present problem. Assumptions that one parent should be at home, that employment is a choice rather than a necessity, that caregiving is traditionally unpaid women's work, and that inadequate supervision is good enough for kids are unrealistic today. Despite dual earner couples, family buying power has decreased over the last 20 years and women's wages lag far behind men's. Inadequate supervision results in increasing costs to society for remedial education, juvenile court services, adult corrections services and lack of productive employment as adults.

Current values and funding result in minimal program quality and rapid caregiver turnover during the most critical years of children's development. Children are unable to advocate for their own needs. Many parents and caregivers are isolated, relatively unorganized advocates.

Since quality care for children today is a cost-effective investment in Oregon's future, we recommend:

1: Public Education

Teach government, employers, parents, providers and the general public that massive changes in the workforce require more and better child care. The enormous long-range cost of inadequate current funding for child care services should be stressed.

2: Create a Business Assistance Clearing house

This unit, lodged in state government, would

- compile or distribute a list of all the requirements necessary to open, operate, or renovate a day care program. Appropriate telephone numbers should be provided along with an easy to use checklist;
- provide ongoing technical assistance to programs on business issues in day care such as liability insurance;
- assist programs in dealing with other state and local agencies.

3: Program Accreditation

Provide a grant fund for certified programs to become accredited through the self-study program of the National Academy of Early Childhood Programs, the only quality-based and national child care accreditation system in existence. Actively pursue federal grants for such purposes.

4: Credentials in Child Development

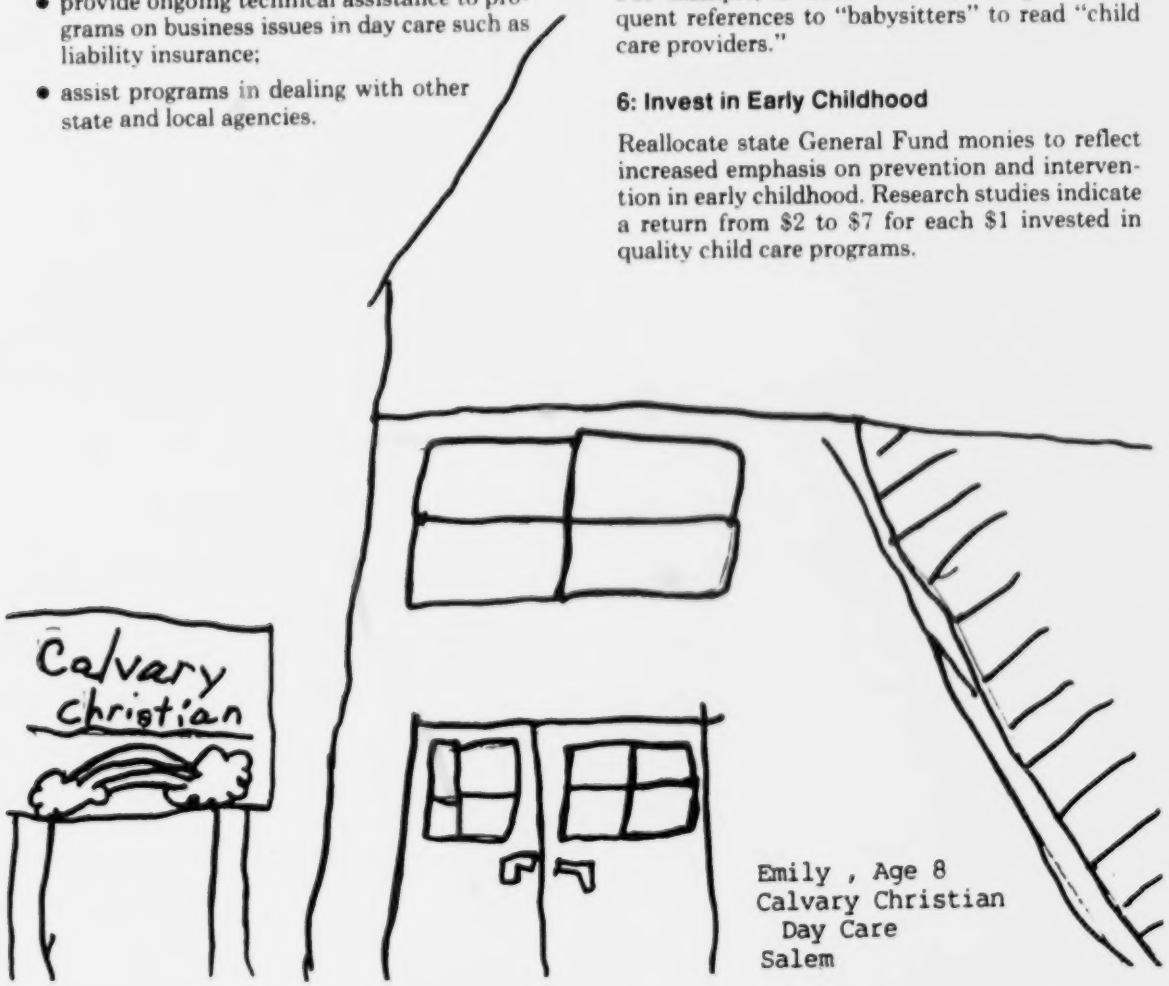
Fund scholarships for child care providers to earn the Child Development Associate credential, the only in-service-earned national credential in existence; or to enroll in other state-approved training programs. Actively pursue federal grants for such purposes.

5: Improve Professional Image

Delete non-professional language from state statutes and printed materials related to child care. For example, in ORS 418.805, change the frequent references to "babysitters" to read "child care providers."

6: Invest in Early Childhood

Reallocate state General Fund monies to reflect increased emphasis on prevention and intervention in early childhood. Research studies indicate a return from $2 to $7 for each $1 invested in quality child care programs.



Emily , Age 8
Calvary Christian
Day Care
Salem

ESTABLISHMENT OF AN OFFICE OF CHILD CARE

"Please don't get bogged down by just doing your job because you have always done it. I hope and pray that you will look for new and creative ways to meet the needs our society has concerning children."

Judy Howard,
Family Day Care Provider

State Participation in Child Care

There is a need for a focused, coordinated effort on the part of state government, particularly within the Department of Human Resources, to address child care issues.

The commission deems it appropriate for state government to perform functions such as: providing targeted subsidies for parents of special needs children and low-income families; and developing and maintaining efficient infra-structure items such as licensing, information and referral, research, information sharing and training.

In order for the system to be truly responsive to Oregon's needs, there is a critical need for coordination among these areas. At present, some of these functions are performed within the Children's Services Division, some within Adult and Family Services, and some not at all. At best, child care has been a low priority issue in those agencies, which is unfair to the agencies and to the children of of Oregon.

Recognizing the Contribution of Home Providers

Public perception of home providers (or family day care providers) does not meet the level it should considering the position of responsibility they hold as caretakers of most of our work force's children. Many providers expend extra effort to maintain a standard of excellence in the care they provide through attendance at seminars and classes. These providers receive little or no recognition for their efforts. Providers list isolation, family conflicts, business problems, collection problems and insurance as reasons for quitting. The rate of turnover for home providers shows 60% leave the profession within the first 6 months and 80% within the first two years. Supportive advisory networks at the community level alleviate some of the isolation and provide an opportunity for information exchange.

Home providers care for the overwhelming majority of children and yet there is no state support for their networks, their business problems and their continuing education. Home providers can only improve their services to working parents when the state recognizes the value of their service and supports that contribution.

Functions of an Office of Child Care

Child care has been last on the list of funding requests by agencies which are more geared to dealing with crises than with the mainstream reality of daily life which child care has become to so many Oregon families.

Commission members heard testimony from a variety of sources on the need for an office to:

- Create and provide access to an inventory of child care information;
- Assist parents to become better consumers of child care;
- Perform all state regulatory functions regarding child care except those performed by the State Health Division and the State Fire Marshal;
- Administer all funds relating to child care;
- Promote and coordinate interagency cooperation on child care issues;
- Provide educational and technical assistance, business advice and other support to child care providers, particularly home care providers;
- Provide technical assistance to public and private sector employers concerning child care, flexible benefits, tax incentives, and other ways employers can be involved;
- Recommend legislation to provide further incentives for employer involvement in child care;
- Encourage colleges and universities to offer child care programs;
- Promote cooperative relationships between public health agencies and child care programs;
- Provide technical assistance to help home providers start and maintain networks for self-help and mutual support.

Based upon the above findings, we recommend:

1: An Office of Child Care

The State of Oregon should establish a separate Office of Child Care to help develop and improve child care in Oregon. This office should perform all administrative, regulatory, funding, and other state functions relating to child care.

STATE REGULATION OF CHILD CARE SERVICES

"Oregon has some of the best regulations in the country. But we need regulations that protect all young children in all child care, consistently and uniformly. Certifiers should be advocates for excellence."

Steffen Saifer, President
Oregon Association of Day Care Directors

Level of Regulation and Enforcement

The majority of children in day care in Oregon are in unlicensed, unmonitored child care arrangements.

Despite a substantial increase in the number of working parents, children in day care, and new day care providers, the state has not increased enforcement staff. In 1983 the state changed family day care registration from certification to registration. However, the public has not perceived that registration is a self evaluation rather than agency monitored program. This may create a liability problem for the state. In addition, some state subsidies may be used in unregistered homes. Under these circumstances the state is not assured that children are receiving quality care.

Certified Day Care Centers and Group Homes

Day care centers and group homes must be certified. They must show compliance to a set of standards established by the state (through the Children's Services Division, Department of Health, and Fire Marshal) in order to operate. Day care centers are certified for 13 or more children and group homes are certified for 6 to 12 children. These facilities are visited and monitored on an on-going basis by personnel from each of these state agencies. The consensus presented to the commission was that Oregon's standards for certification regulation are high and well-enforced.

For the estimated 213,000 children who receive day care in Oregon, there are approximately 26,000 spaces in certified centers and group homes.

The commission identified two concerns of day care center operators.

1) The statutes and rules require day care operators to meet requirements for local planning and zoning, fire safety, sanitation, and day care. These requirements are administered by different agencies but all requirements must be met before a certificate can be issued. Operators get conflicting messages from different inspectors and feel hampered in their efforts to become certified in a timely manner.
2) The CSD day care licensing rules are being revised but are not yet ready for public review. Since they know revision is planned, operators want the process completed.

Home Care Providers or Family Day Care

Child care offered in private homes is known as home day care or family day care. Although group homes are certified, homes which provide care for 5 or fewer full time children are not required to register with the state and are not regulated by statute. Day care homes may voluntarily register with the Children's Services Division. An application triggers a criminal records check of the provider, and requires the provider to attend an orientation on child care provided by the local CSD certifier. In some areas, the orientation is done by telephone. Providers are subject to CSD's family day care regulations, but no visit to the home is ever made by CSD unless the agency receives a complaint.

Registration causes the operator's name to appear on a CSD list of child care providers which is distributed to information and referral agencies throughout the state. This is perceived by the public as a certification procedure, including site visit, when in fact no visitation takes place.

Registration is a requirement for participation in the United States Department of Agriculture Child Care Food Program.

There are approximately 2,900 registered family day care homes in Oregon serving approximately 9,000 children. It is estimated that this represents 5% to 8% of the total number of family day care providers.

The vast majority of children in day care (approximately 178,000) are cared for in unregistered, unmonitored child care arrangements. Most of these operate within the law (five or fewer full time children) but some do not.

The commission received testimony both in opposition and in support of establishing minimum standards and certification procedures for

home day care providers. While no certification program can guarantee quality or take the place of a parent's good judgment, the state should attempt to establish minimum standards for children in day care. Additionally, CSD's liability is questioned in issuing names of registered providers who are not visited. CSD does include a disclaimer with the lists.

Certification and Enforcement Staff

Statewide, CSD has assigned 8.5 staff members to perform all child care regulation and enforcement responsibilities of the agency. Since these 8.5 certifiers cover the entire state, mileage alone makes this an unrealistic ratio. While the number of children in day care and the number of facilities serving them have increased, the amount of staff support to supervise and monitor these children has not kept pace.

Based upon the above findings, we recommend:

1: Regulation Changes

The State of Oregon should expand and increase its role in ensuring the quality of child care provided to its citizens as follows:

- The revision of CSD rules regarding day care centers and group homes should be completed in 1987. They should be enforced uniformly throughout the state.
- Home day care rules should be reviewed and revised to address the complexity of working families' needs. This may involve more than one level of certification. The rulebook should be expanded to include more business and child development issues.
- The agency charged with enforcement of day care regulations should be empowered with appropriate and sufficient authority to enforce those standards, including the power to fine those who operate without a certificate.
- Provide an interagency grievance procedure for applicants and operators who believe they are being given conflicting or inappropriate instructions by regulatory agencies.

2: Certification Programs Restored

- The present system of registration of home day care providers should be abolished. In its place, a voluntary system of home day care provider certification should be established, including on-site visitation of the provider before a certificate is issued. Such certification should be a requirement for participation in any state program of assistance, including receiving subsidies for child care for children in that provider's care.
- The number of state day care certifiers should be increased so that applicants receive necessary consultation before they incur expenses and receive equal enforcement of standards; and to coordinate licensing functions between agencies, and assure prompt, effective response to community complaints.

"I Like the Food because it's good!"

Kathy Waggoner, Age 5
Fruit and Flower Day Care
Portland

MAKING CHILD CARE AFFORDABLE

"....your system for delivering child care to low income families is not especially effective and families have a hard time working their way into the system. I also believe that Oregon's reimbursement system makes it difficult for providers to operate."

Helen Blank,
Children's Defense Fund,
Wash. DC

The Burden of Child Care Costs

Child care expenditures are now a working family's fourth largest annual cost (after housing, food, and taxes). For low income families child care may cost one-third to one-half the family's monthly paycheck.

Although more than half of all Oregon mothers of children under the age of six are in the labor force, their personal earning power is often insufficient to pay for child care. Two thirds of all women who worked in 1983 were single, widowed, divorced, or had husbands who earned less than $15,000 per year. One fourth had husbands who earned less than $10,000. One-quarter of all children in two-parent families would be poor if the father's earnings were the only income. Oregon is consistent with the national average of one child in five living in a single parent family. It is predicted one in four children will live in a single-parent family by 1990.

In Oregon, there are at least 19,000 children living at the poverty level in families whose mother works outside the home. While the state does have some programs which assist these families, the number of children served falls far short of those in need. Studies have shown that for each dollar spent for child care, two to seven dollars are saved in public assistance. Yet Oregon's policies over the past seven years have been to reduce the number of child care assistance programs. This disastrous trend must be reversed if Oregon's economy is to continue to grow and the quality of life for these children preserved.

Inadequacy of Child Care Assistance

The majority of low income families in Oregon do not receive financial assistance for child care. For those receiving assistance, the subsidies are inadequate, the programs complex, the choices of placement severely restricted, and state policies offer few incentives for moving toward self-sufficiency.

- 84,826 Oregon children live in poverty; 34,902 of these are under age six;
- In 1985, Oregon provided financial assistance for child care for only 6,150 children per monthly case load.

The national average expenditure for child care is $3,000 per year per child. Yet a single parent with two children working 37.5 hours per week for 52 weeks a year at minimum wage earns only $6,533 per year, less than 75 percent of the poverty level for a family of three.

The 1983 poverty level incomes in Oregon and the impact of child care are shown below.

There are three child care assistance programs available to low income families to support employment. They are:

JOBS Program Child Care Assistance

If the youngest child in an ADC family is three years of age or older, the parent(s) must participate in work search through the JOBS program unless she or he has been determined to be incapacitated. The parent is required to continuously look for work or work at least 30 hours per week. If there is no free child care resource, the parent may receive child care assistance up to $96 per month per child to look for work. The parent's child care costs may exceed the amount provided by the state. Testimony submitted to the Commission points out that not all clients are aware that child care assistance is available.

No. in Family	Gross Income	Average Family Day Care Cost for One Child as % of Income
Family of Four	$10,178	22%
Family of Three	7,938	28%
Family of Two	6,697	33%

"Disregard" of Child Care Assistance for Employed ADC Recipients

Child Care is available for the parent who works and continues to receive welfare. The child care expenses are deducted from income in calculating the ADC grant. This is called the 'disregard'. Reimbursement is limited to a maximum of $1 per hour worked per child up to a maximum of $160 per child per month. Child Care for time spent commuting and eating meals at work is not reimbursed. An ADC family's child care costs are added to the family income because the Employment Related Day Care (ERDC) program is considered a financial resource available to cover these costs. By doing so the total income available to the family may be too high to be eligible for ADC.

Employment Related Day Care Program (ERDC)

Employed low income families participating in the ERDC program pay for child care according to income and family size. The gross income is used to determine the amount of family payment. Families earning more than minimum wage contribute $5 for every $10 earned towards the cost of care. After paying child care and payroll deductions many families find themselves below or near the poverty level. See figures below:

Family Size	Gross Monthly Income	Child Care Contribution	Payroll Deduction	Available for for living Expenses	Official Poverty Level
Parent and 2 children	$1129	$240	$170	$719	$760

A family at minimum wage earns only $545 per month. The average single mother earned $746 per month in 1982.

No Child Care Support for Job-Related Training

In recent years, training for welfare recipients has moved from an emphasis on "bettering one's self" to getting as many ADC recipients employed as quickly as possible, in any job available. A parent who wants job training has two options: participate in the JOBS program while attending training, or get approval for a job-hunting suspension while attending college.

A parent whose youngest child is under three years, which would make her/him exempt from JOBS participation, is penalized. At the point the parent begins training she or he must enter the JOBS program to maintain eligibility for ADC. The theory is that if the parent can leave the child for training, the child can also be left while job hunting.

In short, there is no incentive and very little opportunity for ADC recipients to train to improve their chances of getting work anywhere but in the minimum wage, high turnover unskilled job market such as fast food service. The result is the perpetuation of poverty for these families.

Mobile Migrant Day Care

Most child care assistance is paid through the Department of Human Resources, Adult and Family Services Division (AFS). In addition, Children's Services Division (CSD) provides child care assistance in the Migrant and Cooperative Network Child Care Programs. The numbers served and the amounts available are minimal. Without low cost migrant labor to harvest the crops the costs of food from the farmer to the food processor and finally to the consumer would be one-third to one-half higher. There is an increasing dependence on migrant labor in the state's largest industry for crop maintenance and harvest. Without child care facilities, migrants would be attracted even more frequently than now to the bordering states. Therefore, migrant day care during the next biennium should con-

DAY CARE USE DATA - ESTIMATED MONTHLY FIGURES - 1986

	Number of Cases	Number of Children	Cost per Child	Total AFS Costs
JOBS Day Care	400	500	$30	$15,000
ADC Day Care	1600	2000	80	160,000
ERDC	2100	3650	100	350,000

tinue to reflect Oregon's commitment to the agriculture industry.

Oregon presently has a separate definition of mobile migrant than is used by the federal government and neighboring states. This is very confusing to migrants crossing state lines and causes problems along our borders such that Oregon Legal Aid often gets involved. In addition, the lack of available forms in Spanish and other languages compounds the confusion these families incur.

Based on the above findings, we recommend:

1: Revise Child Care Subsidies

The State of Oregon should revise its system of child care subsidies. It should also develop a payment and program structure which assures the provision of quality care, assures continuity of care, provides incentives for low income parents to move towards self-sufficiency and reduces recidivism. A major step is to abandon the 'disregard' method - a method which leads to resentment and fraud.

2: Subsidize Care to Reflect Actual Cost

The Legislature should make an appropriation for child care subsidies in an amount sufficient to reflect the usual and customary rates within the county in which the recipient resides up to a maximum of $320 for infants and toddlers and $200 for children over 2-1/2 years of age.

3: Revise Eligibility Methods

The ERDC eligibility guidelines for full child care subsidy should be increased to 50% of Oregon median income, and appropriations increased accordingly.

4: Simplify Payment System

Child care subsidy programs should be simplified and a payment structure developed which pays certified providers directly for their services. Payments should reflect actual time incurred by the parents, including travel time and meal time.

5: Support Training and Education

Child care subsidies should be available to eligible parents who are enrolled in job related education. Emphasis should be placed on providing opportunities for training which will lead to self sufficiency.

6: Revise Mobile Migrant Day Care Definition

Migrant day care during the next biennium should reflect Oregon's commitment to supporting agriculture. This includes a change to reflect the federal Headstart definition of Mobile Migrant.

I don't like taking naps!

Amy Colleen Moreno, Age 7
Start Right Day Care
Tigard

ENCOURAGING EMPLOYER AND CORPORATE INVOLVEMENT

"Day Care makes Good Business Sense"

Governor Thomas H. Kean
of New Jersey

Employment and Child Care

What size business is child care in this state? In 1984, some 62,000 Oregon families reported on their tax forms more than $72,000,000 paid for dependent care. These dollars represent only a quarter of those families who pay for child care in order to work.

Awareness that corporations can improve productivity, reduce absenteeism and actually reduce tax dollars through various employer programs for child care is increasing around the country. The most promoted in recent years include dependent care assistance, which is really a federal tax benefit to employers and their working parents, and corporate supported information and referral. Others include flex-hours and job sharing, sick-child leave, salary advances for first months on the job, and direct day care payment assistance.

One large employer in Oregon utilizes all of those benefits and has reduced expenses. This is due to the fact that 3 percent of the employees use the tax reimbursement feature to shelter more than $300,000 in salary dollars. This, in turn, saves the corporation more than 7 percent in FICA and other taxes on that allocation which is well over $20,000.

A small employer in Salem with 25 employees is using a benefit spending account for each employee to customize benefits and at the same time provide tax assistance to working parents.

Our commission has looked at various research studies for Oregon and the nation and found that the problem is not a lack of good programs for employers to install, but a lack of understanding by corporations, especially the medium and smaller size, on what can be done to reduce corporate costs while adding new services to benefit programs. It is apparent that more education of chief operating officers and their benefits departments is necessary. We are especially concerned that the state's largest employer, the State of Oregon itself, does not offer dependent care assistance to its employees.

Lack of Corporate Supported Child Care Scholarships

Oregon does not have a public and private supported scholarship fund for low income preschoolers.

Another aspect of corporate support that separates Oregon from other states is a lack of a corporate charitable foundation or collaborative effort to support child care for low income. California has the "Child Care Initiative" started by BankAmerica. Florida has the "Child Care Assurance Plan". In these programs, corporations donate to a collective fund designed to assist or offer "scholarships" to working parents who are at risk of quitting or losing their jobs due to child care costs. This is a safety net that assists those working parents making too much to qualify for ADC assistance, but not enough to make working feasible.

Based upon the above findings, we recommend:

1: Corporate Education of Child Care Benefits

- The Oregon Women's Commission has proposed a position be created in the Bureau of Labor for a consultant in child care benefits. This staff person would educate CEO's and personnel managers on the benefits and tax savings to be derived from such programs. Employers assisted would include government as well as private so that all state, county and city employers would be contacted. We are in agreement with this proposal and will support the creation of such a staff position during the 1987 session.
- The Governor's office should become familiar with the advantages of employer programs and participate in luncheons or conferences designed to inform corporations. This form of Governor education of CEO's is currently underway in the states of Washington, Colorado and Arizona.
- The Oregon Commission on Child Care budget should include funds to prepare and disseminate literature to all working parents regarding child care benefits.

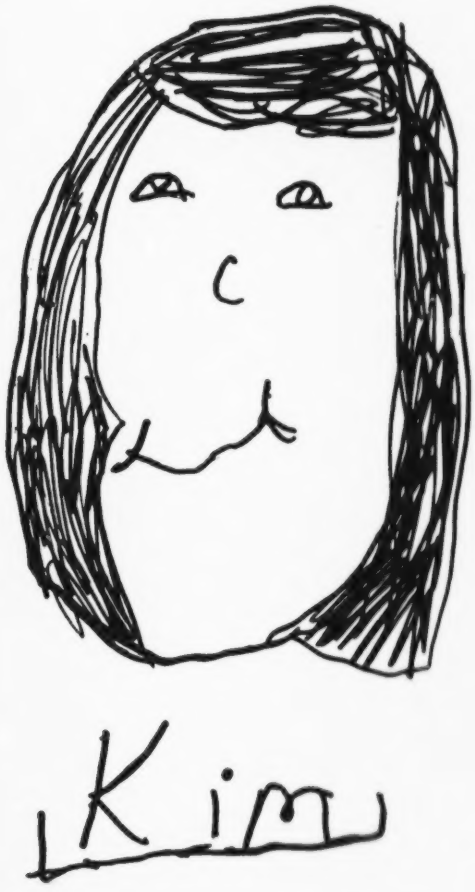
2: State as a Model Employer

The state should address the issues of dependent care assistance, reimbursable pre-tax accounts, parental leave, and other child care benefit policies for state employees as a "model" employer. It is our recommendation that a consistent benefit be made available to all employees, which in turn will be a tax benefit to the state payroll as a whole. If the programs must first be demonstrated in a single agency, we recommend a large agency be selected where the impact of tax savings can be shown.

The benefits of the above program should be documented as a demonstration project.

3: Corporate Assurance Plan

The major corporations in Oregon should be encouraged to participate in a charitable fund to address the needs of lower income parents entering the market place and possibly to assist with information and referral. Modeled after the Florida Assurance plan, the applications would be handled by existing non-profit child care agencies who would then verify the needs of a particular employee and contact that employer for a donation. The Oregon Commission on Child Care would assist in bringing together the initial group of employers to form the foundation board.



"My best friend, Kim."

Emily , Age 8
Calvary Christian Day Care
Salem

DAY CARE FOR SPECIAL NEEDS CHILDREN

"If Respite care services were expanded to include day care and short term stay facilities, I feel I could continue to keep my child in the home for a much longer period of time"

Letter from Portland family written just prior to placing their child in a group home

While all working parents are faced with the difficulties of child care, parents of special needs children have an added burden. The areas our commission found to be most important to those in the developmental disabilities area include:

Recruitment and Training of Providers

Among the most experienced in the field, including CSD workers and Mental Health caseworkers, we found the primary desire was "more providers". The cost of special care is an issue, but even the most affluent families have trouble locating a provider who feels adequate to care for such a child. In some other state studies it was found that providers don't turn away these children because of lack of caring, but because they feel anxious about their own lack of training and facilities to provide appropriate care.

Day Care Availability in Centers

After provider training and recruitment, the second concern was the ability to open up slots in centers to take 3 to 4 children. This not only provides the parents with suitable day care arrangements, but has been shown to significantly affect the child's ability to mainstream in public school later on. Problems for the centers are a lack of trained personnel and floor space that can be allocated to special needs, and the cost of additional staff.

Respite Care

Respite care, as opposed to day care, is the temporary care of a developmentally delayed or disabled individual by a provider so the family members can get respite or "a break" from the pressure of constant care. It is a form of child care that affords the family time to address other matters.

Coordination of State Services

Coordination of state services was found to be a problem. First, it is extremely difficult for families to obtain information and many have to use specialized attorneys to wade their way through state bureaucracies. Second, programs are not consistent throughout the state due to a variety of "pilot" and "target" programs. Consumers are confused when children with similar disabilities do not have access nor are eligible for similar programs in various locations. They become suspicious that the local agencies are "holding out".

Cost Effectiveness of Day Care

Disabled children who live at home with their parents or foster parents cost the state less than those in group homes, and significantly less than those in state hospitals — even when parents receive liberal home support services.

Current Options for Special Needs Children

FACILITY	# CHILDREN SERVED*	DAILY COST PER CHILD	TOTAL ANNUAL PROGRAM COST (FOR CHILDREN)
Fairview Tr. Center	205	$100.31	$7,505,696
Eastern Ore. Center	4	160.00	233,600
Oregon St.H CATP	68	180.77	4,486,949
Kerr Center	30	60.56	633,132
Mental Health Div Comm. GroupHomes	15	36.05	197,374
Children's Services Group Homes	10	71.15	259,698
CSD -Regular Foster Care	28	8.15	83,293
CSD - Special rate Foster Care	72	17.72	465,682
CSD - Other Residential Care	5	73.53	134,192

While the most expensive method of caring for a child is institutionalization, and the least expensive is community and home based care, Oregon is behind schedule in shifting funding to less expensive alternatives.

* Figures provided by Children's Services and Mental Health Division. "Average Daily Population" is the number of Mentally Retarded/Developmentally Disabled children served.

"I like the swing best."

Jonathan Arras, Age 6
Calvary Christian Day Care
Salem

Current Oregon Appropriations

Respite Care	Foster Care	Group Homes	Institutions
$ 16,669	$ 653,167	$ 457,072	$ 12,859,377

A comprehensive survey was conducted in California where respite care is generously funded. The families surveyed were eligible for 35 hours of respite care per month. Forty-seven percent of those surveyed reported that their children would have to be put in out of home placement if the respite was not provided.

Since Oregon supports only a minimal amount of respite care, and that only in the Portland tri-county area, it is a frustration that some institutionalized children in Oregon could be at home with their parents or foster parents if more liberal respite care, handicapped day care, and in-family support were provided.

Both our neighbor states — Washington and California — conducted studies which showed the significant trade-off of respite care dollars versus institutional dollars. As a result, Washington spends more than 2 million per year to serve 1,200 families and California spends millions of dollars through community respite care centers reaching thousands of families with a variety of services. Both states have steadily increased their appropriations as evidence mounts that institutionalization is prevented. In all, 34 states now cover some form of respite and family support for their eligible children as an alternative to more traditional foster and institutional services.

> FACT: The current annual appropriation for respite care in Oregon is under $17,000. In Washington it is 2 million.

In Michigan, the Family Support Subsidy Act (December 1983) is administered by the state department of mental health. Every eligible family with a child assessed by the school district to be severely impaired receives $225 per month. This is based on Supplemental Security Income (SSI) allowed when an impaired adult lives in the home of another. Nine states offer such cash assistance programs, and seven offer cash assistance plus other support services. Oregon is listed as only providing support services. The survey found the states with cash assistance programs funded them at much lower levels than support programs as support programs are more expensive to administer.

Based on the above findings, we recommend:

1: Training of Providers

The commission is currently in contact with United Way in the Portland area regarding the feasibility of a provider training/recruitment program, sponsored jointly by United Way and the Commission. The initial meetings would call upon nine area United Way centers, and would put in motion a program to provide more providers and centers with trained staff. Eventually this pilot training program would be branched out statewide. With endorsement from the Governor's office, the Portland United Way office and the Commission sub-committee on special needs children are prepared and willing to start planning on this project at any time.

2: Family Support Proposal

We support the Developmental Disabilities Council proposal to the Mental Health Division for a Family Support program. Originally this request was for $977,008 in General Funds and $350,000 in federal funds. At this time the request had been reduced to $510,000. This program does not satisfy our goal of offering each family an alternative to institutional care, nor will it target enough areas to reach many eligible families. However, it allows a small amount for respite or full day care assistance if the proposal is accepted as drafted.

3: Respite Care

Respite/day care services need to be made available statewide. Additionally, existing service agencies need more support from the Mental Health Division to prove that respite centers and day care centers equipped to handle special children are a cost effective alternative to institutional care. We recommend that the Department of Human Services put respite centers as a priority.

4: Coordination of Agencies

The focus for day care and respite care should be the Mental Health Division, and Children's Services Division and County Mental Health should coordinate through such a focused unit. This includes putting a priority on consistency of services throughout the state so that families are provided similar services and options regardless of locale.

CHILD CARE RESOURCE AND REFERRAL SERVICES

"I found my provider through the Child Care Information Service — it saved me hours. She lives in my neighborhood and I didn't even know it!"

Salem Hospital Employee

Need for Information

Most Parents in Oregon have little or no help available as they make and remake one of the most critical decisions that will affect their children: who will care for them.

It is in the best interests of the state that our children are well cared for and to enable parents to be productive citizens. Parents often have difficulty finding child care that meets their needs and matches their resources. In choosing child care, parents must become informed consumers, often in a short period of time. The bulk of available child care — in private homes — is not advertised.

A system of Child Care Information and Referral (CCI&R) gives parents up-to-date information so they can choose the most appropriate child care available. CCI&R centers act as brokers to put parents in touch with providers. They also can provide education for parents in how to choose good child care, and can recruit and provide training and information for caregivers.

Cost Effectiveness

A CCI&R program matches and provides data about supply and demand — for consumers, providers, and policy makers. These programs encourage informed consumer decision-making. They recognize the diversity of child care available and support all kinds — home care, group homes, center care. They may be seen as a compromise between private solutions and public intervention. Above all, they make the existing system work better.

As prospects for government-funded center care dimmed, CCI&R emerged as a cost effective means of making the existing child care systems work better. Private CCI&R's such as one in Portland which is funded and used by corporations have been well received and much used by employees who are eligible for them. However, there are very few community supported CCI&R's in Oregon. Other states have publicly supported programs — California's 40 CCI&R's lead the list. Last year North Carolina funded these with $100,000, New Mexico with $80,000 and Rhode Island with $200,000.

State funding to assist in the establishment and operation of community based CCI&R programs is a cost-effective way to help parents utilize all existing resources to meet the needs of their families.

Based on the above findings, we recommend:

1: Statewide Information and Referral

The legislature should appropriate funds to assist new and existing community child care information and referral programs.

- The Office of Child Care would establish program requirements, receive applications, and make grants to be matched by communities.
- The Office of Child Care would provide technical help for successful applicants starting and operating CCI&R programs.
- The Office of Child Care would continually monitor and apply for any pertinent federal and charitable grants for such purposes.

LIABILITY INSURANCE

"It is a shame our wonderful little daycare in Sublimity closed. We'll miss the children who loved to come and the parents who loved to bring them...I wonder if the insurance companies realize how many angry and upset parents they have on their hands...That is why the Marian Child Daycare Center had to close...Good luck in finding a new child caregiver. I know it's tough out there."

Nancy Rehmer, Former Director
in a Letter to the Editor

In addressing the issue of accessible, affordable , quality child care in Oregon, the issue of liability insurance for the child care industry has become a major concern.

Ability to Obtain or Afford Liability Insurance

The inability to obtain or afford insurance has been a major factor in the closure of centers and day care homes, or in the price increases that are impossible for some parents to pay. Quality may be threatened as money is poured into premiums instead of into teaching staff and learning materials. More providers are going without insurance, leaving both their business and the children unprotected.

Day care is listed as the third most difficult industry for finding liability coverage. This statistic seems significant when task forces throughout the state of Oregon have not specifically contacted the child care industry for facts, figures, or testimony. This oversight is a result of concerned groups not realizing the magnitude of the problem or its potential impact on our children.

Maine now requires that companies write liquor liability if they want to do business in that state. Efforts to get Maine to take similar action for child care have not been successful. This is an interesting statement of priorities. We do not want that statement reflected in Oregon's legislative approach to the child care insurance crisis.

The Facts on Insurance Coverage for Child Care

A Children's Foundation survey found that 35 percent of home providers move underground if insurance coverage is unobtainable; another 27 percent stop doing child care; and 10 percent reduce the number of children in care. Nearly all of the 250 providers surveyed said their insurance was terminated or now priced beyond their means. These 250 providers affected 1800 children and over 200 families. Oregon has approximately 30,000 home providers.

For those who continue liability coverage, the problems are more than just premium costs. Record numbers of insurance companies have gone out of business, leaving a hole in the market for certain kinds of coverage such as day care. The 1986 Insurance Agents and Buyers Guide lists only 33 markets specializing in day care insurance — down from 42 last year and 47 in 1984. In addition to raising premiums to unjustifiable levels, these companies are adding exclusions, dropping coverage limits and imposing restrictions that exceed or are in direct conflict with licensing regulations mandated by Children's Services Division.

Examples in Oregon include:

- CSD requires a 1 to 15 staff ratio for school age children. An insurance company says this ratio must be 1 to 12.
- CSD requires that there be one staff person at all times who holds a current Red Cross First Aid card. An insurance company says you may not provide any medical help.
- A center's insurance was canceled. When they found coverage, premiums rose 350 percent, while coverage dropped 80 percent.
- Companies are writing policies in such a way that all defense fees are taken from the aggregate limits of the policy.
- Most policies exclude alleged child abuse coverage and are written to exclude paying attorney fees to defend against unfounded accusations of abuse.
- Many home providers are finding their homeowner's insurance canceled if they provide child care.
- The law provides that a company need give only 20 days notice of cancellation from the date of postmark. Centers in Oregon have found themselves with only five working days to find coverage.
- Statewide cancellations indicate no rationale for who is canceled and who is not.

A Pendleton center was canceled after 21 years with the same company at a yearly premium of $143. They now have less coverage with another company with a premium of more than $2,000. No claims had ever been made.

21

Another center just renewed coverage with no problems while a Portland center was canceled by the same company. To secure any coverage, the Portland center is looking at an increase in premiums from $1,300 to more than $10,000. Again, no claims had ever been made.

Are These Problems Justified?

In Oregon, twelve $1,000,000 liability cases have been documented in 14 years. These are not child abuse cases. A computer search of the last five years found no articles in insurance trade journals citing child care as particularly high risk or high loss. A survey by Child Inc. indicates no high dollar claims being filed, and in interviewing numerous insurance agencies this was confirmed. One agent reported having written nearly 5,000 policies without a single claim of child abuse.

In one survey, 60 percent of centers which had made claims against their policies were not canceled while the great majority of centers which lost their coverage had never filed a claim. Payment on claims reported by child care programs accounted for just three percent of premiums paid during the year, not taking investment income into account.

Based on these findings, we recommend:

1: Legislative Action to Ease the Problem

Draft legislation so that policies include all employees and volunteer boards in basic liability coverage; that rates be based on the individual's claims history and the claims history of similar insureds in Oregon; and prevent insurance companies from being allowed to mandate regulations that supersede or conflict with rules of Children's Services Division or other regulatory agencies.

2: Rules of Conduct for the Insurance Industry

Increase the amount of time after notice of cancellation is received by a business until the cancellation is final. Take in to account the stringent requirements for child care in Oregon.

3: Tort Reform

Any tort reform should demonstrate that premiums will be decreased and the availability of insurance carrier will be increased.

4: The California model

Oregon should consider legislation similar to that California passed in 1985 as follows:

- An insurance carrier may not arbitrarily cancel or refuse to renew a policy of homeowner's insurance solely because the policyholder is engaged in a child care business.
- Require carriers to annually report insurance information for the purposes of monitoring the overall risk experience of child care centers and family day care providers.
- Encourage the insurance industry to allow installment payment of premiums for child care operators.

"I like to go on field trips."

Sean Oxenford, Age 8
Loving Touch Day Care
Lincoln City

SCHOOL-AGE CHILD CARE

"Latchkey means children who are taught to unlock doors and latch themselves in while their parents work"

Annie Martin,
YMCA Child Development

The Need

Approximately two-thirds of Oregon's mothers of school age children have joined fathers in the labor force, and child care services for their children have not kept pace.

Even when service is available in a community, transportation presents a special problem. Children are often left alone for an hour or so in the morning so they can walk to school. After school, the day care service may be too far away for walking. Most school bussing systems do not adapt to this issue, and the parent usually cannot leave work to transport the child.

Among Oregon's school age children, a third come home to a parent or relative, a third go to child care facilities, and a third are left alone. Studies show increasing problems with vandalism, teen pregnancy, kidnapping and child abuse during the hours these children are without supervision.

In addition, there is a more quiet long-term problem for children — being left alone day after day to cope with their daily emotional and social stresses without adult listening and guidance.

School Involvement

School districts are a logical focal point for coordination of school age child care efforts, which should include the cooperative efforts of parents, neighborhood providers, non-profit agencies and school district personnel. After-school programs can make a profit, and in some states this profit is turned over to a community school fund to be used at local discretion.

Based on these findings, we recommend:

1: Use of Schools for After School Care

The state should provide a funding structure incentive which encourages school districts to develop child care services. Based on the Arizona model of "Use of Schools for Profit", districts should be given a model that utilizes existing resources to develop new sources of funds and adds to school revenues, not drain resources.

2: Technical Support

School districts should designate a district employee to coordinate and give technical assistance to parent groups, providers and any cooperative group seeking to submit a bid for use of schools for after-school care.

3: Community Involvement

Districts unable to provide space should address the problem with other neighborhood and community services (such as YMCA facilities) to reduce the problem of unavailable, inaccessible services.

4: Affordable After-School Care

School age child care services must be made affordable for families so they will be used. Communities and the state should develop funding alternatives to keep the costs down.

Kate Gettmen, age 4
Hermiston Day Care Center

PARENTAL LEAVE

"With a divorce rate that exceeds 50%, with the substance abuse that is so prevalent in our society, with the number of children who get into trouble with the law or never finish school, we feel that we should try to get new parents off to a roaring start..."

Dr. James K. Lace,
Vice President
Oregon Pediatric Society

Lack of Uniform Parental Leave Policy

Presently, Oregon law does not protect employees who must take a leave of absence or miss work on occasion to care for their children. Such a need can arise upon the birth or adoption of a child and also occurs when children are sick and regular child care arrangements are unavailable.

Under federal law, pregnancy and childbirth must be treated by employers as are other disabilities. However, no protection is provided the pregnant or post-natal worker whose employer has no disability coverage. Additionally, the post-natal period is often treated as a matter of medical disability of the mother. That fails to address the needs of the child upon birth or adoption.

Conflict with Children's Services Regulations

Oregon law prohibits enrollment of any infant in a day care center until the child is at least six weeks old. Oregon law does not protect the right of the parent to delay a return to work until the child reaches that age.

As Dr. James K. Lace, M.D., Vice President of the Oregon Pediatric Society and a member of the American Academy of Pediatrics pointed out to the commission, 12 weeks is suggested as the most reasonable time period. This allows the child to go through its most vulnerable time for life-threatening infections and to establish good bonds with its parents. He stated, "Six weeks is too short."

There is growing concern in the health care community about the impact of day care related illness. The younger the child, the greater is the challenge of maintaining good hygiene, the greater is the susceptibility of an immature immune system, and the greater is the difficulty of diagnosis and treatment. In very young children, the increased of risk of disease ranges from annoying or painful diarrheas or ear infections, to dangerous, even fatal Hib meningitis, which is most common in children less than 18 months old.

Sick children pose a special problem for parents. Some employers allow the use of employee sick or personal leave, paid or unpaid, for parents who need to miss work in order to care for sick children. However, there is no guarantee of this, and practices vary from employer to employer. Dr. Lace described this as a problem pediatricians face daily. "Where does a parent get the time to take care of a sick child or to take the child to a doctor's office if they work? Their own sick leave is often used but with a child less than 5 years of age, this is often much too short of a time to adequately address the situation."

Federal Legislation Pending

There is presently federal legislation under consideration that addresses the issue. The Parental and Medical Leave Bill (HR4300) would guarantee workers the right to take a leave of absence from their jobs to care for a newborn, adopted or seriously ill child or to care for a seriously ill parent. Employees could take unpaid leave of up to 18 weeks and would be given the same job or an equivalent one when returning to work. Small businesses employing fewer than 15 people would be exempt.

State of Oregon Employees

Many private employers already have generous maternity and paternity leaves. The State of Oregon's own employees have, at this point, no separate provisions that address the issues of post-natal need. State regulations merely refer to the right to take sick or disability leave. This leaves many pregnant workers in the position of deciding whether to use accrued sick leave when they become ill during pregnancy, or trying to work through their illness in order to have more days available for post-natal leave. In addition, many workers who become pregnant are young, relatively new to the work force, and have accrued little leave of any kind.

Based upon the above, we recommend:

1: Twelve Week Parental Leave

The Oregon legislature should adopt legislation guaranteeing workers the right to take a leave of absence from their jobs to care for a newborn, adopted or seriously ill child. This unpaid leave should extend up to twelve weeks and the employee should be given the same job or an equivalent one when returning to work. Small businesses employing fewer than 15 people should be exempt from this legislation.

2: State Employees Post-Natal Leave

The state should provide state employees with post-natal leave, separate from sick leave or disability leave, which could be utilized in the post-natal period from birth (or adoption) to 12 weeks.

INFANT AND TODDLER CARE

"The biggest need is a supply of good infant and toddler care... Good care is expensive in the short term, but least expensive in the long term because of the importance of those years..."

Sheila Kamerman,
Professor, Columbia University

Supply Does Not Meet Demand

Children's Services Division rules define infant and toddler programs as care provided to children between six weeks and thirty months of age. These rules state that the ratio of caregivers to children shall be one adult for every four infants and toddlers.

Infant and toddler care is the most difficult to locate due to the limited number of centers or providers willing to care for this age group. Information and referral services report that between 60% to 80% of the calls they receive are requesting infant and toddler care.

In the last decade, the number of mothers working when their children are infants has increased dramatically. In fact, it is the fastest growing group in the labor force. This has caused more mothers to need infant and toddler care while they work.

46.8% of mothers of children under age 1 are employed.
58% of mothers of children under age 3 are employed.

Critical need for Quality in Care

The child under age 3 develops physically, emotionally, socially, and intellectually at a rate unequaled at any other time in life. Good care during those years has been shown to support this development. Bad care interferes with growth. Therefore, the quality of care given infants and toddlers is critical.

The potential for spread of disease is great when providing care for infants and toddlers due to the fact that these young children still wear diapers and they tend to put things in their mouths. Close attention to sanitation is mandatory.

Good group care for infants and toddlers requires sufficiently skilled caregivers, and a ratio of 1 to 4.

Lack of Caregiver Training Opportunities

Colleges and universities in Oregon do not provide ample coursework for those interested in caring for infants and toddlers. The knowledge and skills required are quite different from those traditionally included in early childhood programs. Infants are not miniature pre-schoolers — they have different needs.

There are only a few programs in Oregon that serve infants and toddlers, so there are limited opportunities for potential caregivers to gain experience.

Based on these findings, we recommend:

1: Subsidize Care to Reflect Real Cost

Oregon should recognize and encourage payment of real costs for infants and toddlers by setting subsidy rates that reflect true costs. The state should monitor any program serving infants and toddlers because of the vulnerability of these children.

2: Training Opportunities

The state should develop training resources for infant and toddler caregivers. This should include encouraging universities and community colleges to offer appropriate courses and on-site training opportunities. Meanwhile, the state should educate the public on the importance of skilled infant and toddler care.

FUNDING ISSUES

"We have found that two of our most important initiatives - education and economic development - depend on day care for their ultimate success."

Governor Bill Clinton
Arkansas

Oregon subsidizes child care for even the most affluent families

The largest subsidy that Oregon provides for child care is the tax credit. The latest figures available from the Department of Revenue show that more credit is taken by families earning more than $50,000 Adjusted Gross Income than those earning less than $10,000.

Oregon Child Care Personal Income Tax Credit
1984 Tax Year

	Number Returns	Amount	Average Credit Per Family
Total	62,002	$5,778,000	$ 93
AGI > $50,000	5,026	629,000	133
AGI < $10,000	3,876	185,000	36

When presenting these facts to the public, the commission found that most citizens resent a system that subsidizes the affluent four times the amount it subsidizes the poor.

Federal Legislation Affects Oregon's Funding of Child Care

There are four significant federal bills pending that could impact Oregon's ability to increase funds for child care. These are:

Bill	Sponsor	Title	Description
HR 2867	Miller	Child Care Opportunities for Families Act	Omnibus bill developed to provide grants to expand child care
S 810	Cranston	Child Care Standards Improvement Act	Amends Title XX to mandate standards to improve monitoring
HR 4300	Clay	Parental and Medical leave Act	Entitles employees up to 18 weeks unpaid leave
S 873	Chaffee	Community and Family Living Amendments	Reform Medicaid to re-direct emphasis from institutions to community facilities

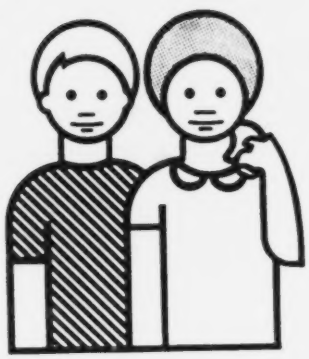
Based on the above findings, we recommend:

1: Maximum On Child Care Credit

Because the state subsidizes all child care through the tax credit, we feel the credit can be capped for those 5000 families earning an adjusted gross income greater than $50,000. Families in this category would lose, on the average, $133 in tax credits. These saved credits would be used to fund the child care assurance plan or provide additional assistance to the 3,800 low income families earning less than $10,000 adjusted gross income. If this had been adopted for the 1984 tax year, $629,000 would have been available for such purposes.

2: State Advocacy for Federal Legislation

State agencies, legislators and child care advocacy groups should encourage our congressional delegates to co-sponsor these bills which would bring vital child care funds to Oregon. Further, when such grants are made available, the commission should be contacted in determining the most cost beneficial use of such grants in relation to the current problems of child care in Oregon.



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